

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Labour Factories Boilers & Insurance Medical Services Department - Insurance Medical Services - Purchase of Drugs & Medicines and Medical equipment in Insurance Medical Services Department - Certain Amendments to Guidelines - orders - Issued.

LABOUR, FACTORIES, BOILERS & INSURANCE MEDICAL SERVICES (IMS & VIG)
DEPARTMENT

G.O.Ms.No.14

Date : 16.11.2021.

Read the following:

1. G.O.Ms No.51, Labour Employment Training and Factories (IMS) Department, dated:09.04.2012.
2. ESIC Lr No.U-16/52/2001/Med-III (AP) Dated:22.11.2016.
3. From the Director Insurance Medical Services, A.P, Vijayawada, Rc.No.1541953/CDS2/DIMS/2021, Dt:22.10.2021 & 12.11.2021.

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ORDER:

In the G.O. 1st read above, Government have issued Comprehensive Guidelines for purchase procedure of equipment & drugs /dressing material in IMS Department. The ESIC, New Delhi has issued guidelines in the reference 2nd read above for decentralizing the procurement of Medicines by the State Government through Medical Superintendents of ESI Hospitals.

2. The Director Insurance Medical Services, Andhra Pradesh, Vijayawada in his letter 3rd read above has stated that due to centralization of purchases at office of the Director, Insurance Medical Services, during the recent past vigilance enquiry and ACB enquiry in purchases and fraudulent payments came to light leading to adversely affecting the image of the department. Further the delivery of Drugs & Dressings, Surgical items, Laboratory items, Equipment etc., should be supplied to the Dispensaries directly. The delivery to the Dispensaries directly as per Rate contract terms and conditions stipulated by ESIC could not be implemented till date as supplying agencies have been raising concern regarding the transporting cost involved in supplying small quantities to the Hospitals & Diagnostic Centres, which sometimes exceeds the cost of the medicine itself.

3. Further in the reference 2nd read above, the ESIC, New Delhi has issued guidelines for de-centralizing the procurement of Medicines by the State Government through Medical Superintendents of ESI Hospitals. Therefore, to address the above issues, the DIMS has proposed for amendment to G.O.Ms. No.51, Labour Employment Training and Factories (IMS) Department, dt:09.04.2012.

4. Government after careful examination hereby issue the following amendment to para 6(a), 6(b), 6(c) and para 10 of G.O.Ms. No. 51, LET & F (IMS) Department, dt:09.04.2012 :

AMENDMENT

Para	Existing	Substituted as
Para 6 (a)	Director of Insurance Medical Services shall obtain indents from the in-charge Medical Officers of the Dispensaries routed through Joint Directors concerned and Medical Superintendents in the State and place orders	i. Central Drug Stores at 5 locations as mentioned below will procure and distribute the Drugs & Dressings, Surgical items, Laboratory items, Equipment etc., to the respective ESI Institutions attached to the Store. 1. ESI Hospital, Visakhapatnam All ESI Institutions including Panel clinics

	with the approved Agencies well in advance under rate contract system as per the guidelines/ approvals communicated by the Employees' State Insurance Corporation, New Delhi from time to time;	in Srikakulam, Vizianagaram & Visakhapatnam Districts. 2. ESI Hospital, Rajamahendravaram All ESI Institutions including Panel clinics in East Godavari & West Godavari Districts. 3. ESI Hospital, Vijayawada All ESI Institutions including Panel clinics in Krishna, Guntur & Prakasam Districts. 4. ESI Hospital, Tirupathi All ESI Institutions including Panel clinics in SPSR Nellore, Chittoor & YSR Kadapa Districts. 5. ESI Diagnostic Center, Adoni All ESI Institutions including Panel clinics in Kurnool & Anantapuram Districts. ii. The Medical Superintendent of concerned ESI Hospitals and Incharge Civil Surgeon of Adoni DC will act as Nodal Officer of the concerned Store. The Nodal officer of Central Drug Stores for Drugs Distribution shall obtain indents directly from the In-charge Medical Officers of dispensaries and panel clinics attached to their Central Drug Stores and their respective Hospitals. The Nodal Officer shall place orders with the approved RC Agencies well in advance under rate contract system as per the guidelines/approvals communicated by the Employees' State Insurance Corporation, New Delhi from time to time. POs should be issued in the name of registered firm in RC list of ESIC only, and invoices also should be accepted in the name of this firm only. A Hospital Medicine scrutinizing committee shall be constituted by the Nodal Officer for indents scrutinizing with Specialists in the respective hospital and at least one In-charge Medical Officer from the respective attached Dispensaries on rotation basis. The Nodal Officer shall decide the number of members depending on their specialty and the need as required. The Nodal Officer shall be convener of the committee so formed. This Hospital Medicine scrutinizing committee shall meet in the month of January every year and should assess the requirement of drugs considering the last two years indents and utilization. The future quarterly indents should not exceed 10% of quantities utilized previously and later the quarterly indents should be based on the average consumption of the drug during the previous one year. The indenting officer can place indent for upto 10% additional quantity on the average consumption of the drug during the previous year. If the actual requirement is more it should accompany proper justification and permission may be obtained from DIMS.
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Para 6 (b)	Purchasing system shall be centralized at the Director of Insurance Medical Services level with a condition that the supplying agencies shall deliver the equipment and Drugs at unit level as indented (unit wise) to the dispensaries and hospitals directly as per Rate Contract terms and conditions stipulated by the Corporation to avoid the possible leakages in procuring the required items through supply chain;	Purchasing system shall be decentralized at the Nodal Officer of Central Drug Stores for Drugs Distribution level with condition that the supplying agencies shall deliver the Drugs dressings & Surgicals at Central Drug Store for Drugs Distribution as indented directly, adhering to the Rate Contract terms and conditions stipulated by the Corporation to avoid the possible leakages in procuring the required items through supply chain. The Central Drug Store for Drugs Distribution shall deliver the drugs & dressings & Surgical items to the respective Hospitals, Dispensaries, Panel Clinics & Diagnostic Centers as per the placed indent.
Para 6 (c)	Payment of bills against the supplies be ensured by the Director of Insurance Medical Services duly following the purchase procedures laid down by the Corporation for the purpose and the financial code;	Payment of bills against the supplies shall be made by the respective Nodal Officers of Central Drug Store duly following the purchase procedures laid down by the Corporation and or Government of AP for this purpose and the financial code; after scrutiny and approval by the Audit committee at DIMS. The Audit committee shall be formed with the following members: i. Director as Chairman ii. Joint Director (Medical), O/o DIMS iii. One of the Medical Superintendents (by rotation basis nominated by DIMS) iv. Audit Officer, O/o DIMS v. Any specialist Doctor with PG qualification as nominated by DIMS vi. Pharmacist nominated by DIMS After approval from the Audit committee the Nodal Officers of Central Drug Stores will make payments to the firms from the budget allotted to them by DIMS, duly following FCFS (First Cum First Served) Principle.
Para (10)	Needless to add that Items listed under rate Contract by the Employee State Insurance Corporation, New Delhi, as applicable to Employee State Insurance Hospitals all over the country are to be preferred always. Rarest among the rare cases, the procurement under non-Rate Contract items shall be resorted to aid the I.Ps. Generic Medicines shall be indented in the case of non supply of items by the approved agencies under rate contract list duly following the procedure laid down by the State/ Central Governments for the purpose. In emergencies and to meet requirement of life saving drugs, the Medical Superintendents of Hospitals are authorized to procure the same locally with financial powers not exceeding Rs.25,000/- for	In emergencies and to meet requirement of life saving drugs & dressings, Surgicals, it is proposed that the Medical Superintendents of Hospitals are authorized to procure the same locally with financial powers not exceeding Rs.2,00,000/- per quarter (Rs.1,00,000/- each for Drugs & Surgical items respectively) for Hospitals and Rs.50,000/- per quarter (Rs.25,000/- each for Drugs & Surgical items respectively) for Diagnostic Centers. The I/c Medical Officers authorized to procure medicines upto Rs.3,000/-per quarter whenever need arises with proper justification as a measure of precaution and preparedness.

	Employee State Insurance Hospital Sanathnagar considering concentration of I.PS in and around and Rs.10,000/- for other Hospitals. The I/c Medical Officers shall procure medicines upto Rs.1,000/- whenever need arises as a measure of precaution and preparedness under due intimation to the Director of Insurance Medical Services and seek his ratification subsequently. The Director, Insurance Medical Services, shall accordingly work-out the modalities and monitor the expenditure at regular fortnightly intervals.	
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5. The Director Insurance Medical Services, Andhra Pradesh, Vijayawada shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT(FAC)

To
The Director, Insurance Medical Services, Andhra Pradesh, Vijayawada.
All the Committee Members through the Director of Insurance Medical Services,
A.P., Vijayawada.

Copy to:

The Regional Director, Employees State Insurance Corporation, A.P, Vijayawada.
The Director General, ESIC, New Delhi.
The P.S. to Hon'ble M(LFB&IMS).
SF/SC.

//FORWARDED :: BY ORDER//

G. Guruswamy
SECTION OFFICER
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